

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION**

**CITY OF WEST HOLLYWOOD
CITY HALL – EOC ROOM, FIRST FLOOR
8300 SANTA MONICA BOULEVARD
WEST HOLLYWOOD, CALIFORNIA 90069**

2:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (12-2325)

Attachments: [AUDIO](#)

I. CALL TO ORDER

Chair Cohen called the meeting to order at 2:00 p.m.

II. ROLL CALL

Present: Chair Daniel Ronnie Cohen, Vice Chair Roderick Burnley
Board Members: Martin Zimmerman, Madeline Roachell,
Megan Reilly, David Flaks and Paul Arevalo

III. PRESENTATION

1. Presentation and information provided by the Successor Agency on the sufficiency of cash flow. (12-2175)

David Wilson, Interim Finance Director of the City of West Hollywood, presented a verbal overview of the Successor Agency's sufficiency cash flow for the period of July 1, 2011 through June 30, 2012 and responded to questions posed by the Oversight Board.

Board Member Reilly questioned what happens if the cash flow is in the negative. Mr. Wilson responded that the majority of the items within the cash flow are affiliated with an administrative cost and the City has been able to provide payments for the time being.

On motion of Board Member Zimmerman, by Common Consent, there being no objection, the Oversight Board accepted Mr. Wilson's report.

IV. UNFINISHED BUSINESS

2. Review and approve the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2012 - June 30, 2012, as amended by the Successor Agency to the West Hollywood Community Development Commission on February 21, 2012. (Continued from the meeting of 5-10-12) (12-2045)

Jonathan Leonard, Project Development Administrator, City of West Hollywood, provided a revised ROPS1 based on the recommendations and suggestions from the Board members at the meeting of May 10, 2012. Mr. Leonard further informed the Board that the majority of payments for ROPS1 were taken from Reserved Balances, and reviewed the items in ROPS1, line item by line item for further clarification:

- **Line Item Nos. 1, 2, and 3, Bond Debt Services were broken into subcategories, principle, interest, and Bond fees**
- **Line Item No. 4, City Loan reimbursement was paid in full May 2012**
- **Line Item No. 5, Affordable Housing Project loan for construction to be paid out of Bond Proceeds, separating out employee costs.**
- **Line Item No. 6(a), La Brea Courtyard Project, Predevelopment & Acquisition Loan, was fully paid out February 2012**
- **Line Item No. 6(b), La Brea Courtyard Project, Permit & Financing Loan, no payment due now, but once construction begins, to come from Bond Proceeds, separating out employee costs.**
- **Line Item No. 7, the remainder of the Bond Proceeds for West Hollywood Community Housing Corporation for Rehabilitation and Disabled Accessibility, with staff checking on the eligibility of Bond Proceeds coverage for maintenance cost**
- **Line Item No. 8, Plummer Park Rehabilitation Project to be completely funded from Series-A 2011 Bond Proceeds**
- **Line Item No. 9, Pass-Through amounts listed on January 2011 we are waiting on Property Tax Consultant to get disbursement**

Mr. Leonard further informed the Oversight Board that the Successor Agency had only one property asset, a Parking Lot, which is being used by the City with no cash assets. He proposed that since the Successor Agency does not have enough funds in the reserves to cover debt payments, the Successor Agency will amend ROPS 1 as follows:

1. **Amend line Item No. 2(b) – under column heading “Source of Repayment”, to change the wording from "Reserve Balances" to "Redevelopment Tax Retirement Fund,"**

2. Amend the Resolution under Section 2 where it reads, "Oversight Board hereby adopts the initial ROPS" to "Oversight Board hereby adopts the amended ROPS."

On motion of Chair Cohen, by Common Consent, there being no objection, the Oversight Board approved ROPS 1 with the following amendment: For Line Item No. 2(b), under the column heading "Source of Repayment," change the wording from "Reserve Balances" to "Redevelopment Tax Retirement Fund," and to amend the Resolution under Section 2 where it reads, "Oversight Board hereby adopts the initial ROPS" to "Oversight

Attachments: [Staff Report for ROPS January 2012 - June 2012](#)
[ROP Schedule - January 2012 - June 2012](#)

3. Review and approve the draft Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 - December 31, 2012, as considered by the Successor Agency to the West Hollywood Community Development Commission on May 7, 2012. (Continued from the meeting of 5-10-12) (12-2046)

Jonathan Leonard, Project Development Administrator, stated ROPS 2 was similar to ROPS 1, and the only difference is, Bond Debt Services were paid through County and Property Tax Retirement Fund, and all Projects were paid through Bond Proceeds. Mr. Leonard proposed amending ROPS 2, Line Item 4 (a), under the heading - "Total During Fiscal Year," to include total amount.

On motion of Board Member Zimmerman, by Common Consent, there being no objections, the Oversight Board approved ROPS 2 with an amendment to Line Item 4 (a), under the heading "Total During Fiscal Year," include the total amount.

Attachments: [Staff Report for ROPS July 2012 - December 2012](#)
[Staff Report - Project 2003 Tax Allocation Bonds](#)
[Staff Report - Project 2011 Tax Allocation Bonds](#)
[ROP Schedule July 2012 - December 2012](#)
[ROPS Supporting Document](#)

V. DISCUSSION ITEMS

4. Recommendation: Review and approve the Successor Agency Administrative Budget for the period of January 1, 2012 through June 30, 2012. (12-2173)

Jonathan Leonard, Project Development Administrator, provided a staff report and responded to question posed by the Oversight Board.

Mr. Leonard open the discussion by the following statement derived from the staff report:

ABX1 26 details the administrative cost allowance provided to each Successor Agency can be up to 5% of the property tax allocated to the Successor Agency for the 2011-12 Fiscal Year and up to 3% of the property tax allocated to the Redevelopment Obligation Retirement Fund, for the Successor Agency, for each fiscal year thereafter provided, however, that the amount shall not be less than \$250,000 for any fiscal year.

The Successor Agency's interpretation of this was \$250,000 for Fiscal Year 2011-12 and \$125,000 for the July - December 2012, a six month period.

Board Member Zimmerman needed clarity on the handouts, as they reflect different amounts in the attachments. Board Member Reilly also stated her concerns on the interpretation of the \$250,000.

Vice Chair Board Member Burnley commented that there are two interpretations: (1) we are looking at the allowance in the middle of the year and if that is the case some of the Administrative Cost from July to December will meet as an obligation; and (2) Staff's interpretation is looking into \$250,000 for the entire fiscal year as administrative cost.

Carl Berger, City Attorney, further informed the Oversight Board that the \$250,000 Administrative Cost was reconciled to the remaining six months of Fiscal Year 2011-2012.

Board Member Reilly requested clarification between Wages and Fringes, and Staffing Costs. David Wilson, Interim Director - Finance, informed the Oversight Board that it pertains to on going staff training and supplies. Mr. Leonard further informed the Oversight Board that the

Successor Agency Staff are not full time employees, but part time and the amount is projected on hourly basis for four to five people.

On motion the Board Member Zimmerman, by Common Consent, there being no objections, the Oversight Board received and filed the staff report and approved the Successor Agency Administrative Budget of \$250, 000 for the period of January 1, 2012 through June 30, 2012.

Attachments: [Staff Report](#)
[Administrative Budget January 2012 - June 2012](#)

- 5.** Recommendation: Review and approve the Successor Agency Administrative Budget for the period of July 1, 2012 through December 31, 2012. (12-2174)

Jonathan Leonard, Project Development Administrator, provided a staff report and responded to questions posed by the Oversight Board during discussion under Agenda Item No. 4.

Board Member Reilly raised a concern pertaining to downsizing and if there is transition plan in place.

Mr. Leonard responded and informed the Oversight Board that many of the employees under the former Redevelopment Agency are City employees, so it is anticipated the percentage of work for the Successor Agency will be reduced. Board Member Arevalo confirmed Mr. Leonard's statement and further informed the Oversight Board that positions paid through the former Redevelopment Agency have been eliminated and two people retired last year so percentage of staff dedicated to this process has decreased.

After discussion, on motion of Board Member Zimmerman, by Common Consent, there being no objections, the Oversight Board received and filed the staff report and approved the Successor Agency Administrative Budget of \$125,000 for the period of July 1, 2012 through December 31, 2012.

Attachments: [Staff Report](#)
[Administrative Budget - July 2012 - December 2012](#)

VI. MISCELLANEOUS

6. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting) (12-2170)

There were no matters to be presented on a future meeting.

7. Public comment - This time has been set aside for members of the public to address the City of West Hollywood Oversight Board on items within the subject matter jurisdiction of the Board. Although the Board values your comments, under the Brown Act, the Board cannot discuss or take any action on items not listed on the posted agenda. (12-2171)

There were no public comment.

8. Adjournment. (12-2172)

The meeting adjourned at 3:00 p.m. The next regular meeting is scheduled for Thursday, June 28, 2012 at 2:00 p.m. at Plummer Park.